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NEW APPLICATION

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AZ CORP COMMISSION
DOCUMENT CONTROL

ORIGINAL
ARIZONA CORPORATION
COMMISSION

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APR 28 2000

Director of Utilities

Mountain Glen Water Service
P.O. Box 897
Clay Springs, Arizona 85923

DOCKET NO. W-03875A-00-0289

April 27, 2000

DOCKET NO. W-01894A-00-0289

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Attached is an application by Mountain Glen Water Service, Inc. for a water system. The purpose of this application is to have the certificate of convenience and necessity for the George Papa Water System, reissued in the name of the tax sale buyer of that water system, Mountain Glen Water Service.

Beatrice I. Parker
Beatrice I. Parker

ARIZONA CORPORATION COMMISSION

APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER AND/OR SEWER

DOCKET NO.

W-03875A-00-0289

- A. The name, address and telephone number of the Applicant (Company) is:

Mountain Glen Water Service

P.O. Box 897

Clay Sprngs, AZ 85923

1-520-739-4479

- B. If doing business (d.b.a.) under a name other than the Applicant (Company) name listed above, specify:

N/A

- C. List the name, address and telephone number of the management contact:

William (Bill) James Parker

P.O. Box 897

Clay Springs, AZ 85923

1-520-739-4479

- D. List the name, address and telephone number of the attorney for the Applicant:

G. Terris Porter, The Porter Law Offices, P.C.

1052 E. Deuce of Clubs

Show Low, AZ 85901

1-520-537-2417

- E. List the name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality:

Jeff Hammond

P.O. Box 870

St. Johns, AZ 85936

520/337-2378

F. List the name, address and telephone number of the on-site manager of the utility:

Bill Parker - P.O. Box 897, Clay Springs, AZ 85923

1-520-739-4479

G. The Applicant is a:

<input checked="" type="checkbox"/> Corporation: ___ "C", <input checked="" type="checkbox"/> "S", ___ Non-Profit <input checked="" type="checkbox"/> Arizona, ___ Foreign	___ Partnership ___ Limited, ___ General ___ Arizona, ___ Foreign
___ Sole Proprietorship	___ Limited Liability Company (LLC)
___ Other (Specify)	

H. If Applicant is a corporation:

1. List names of Officers and Directors:

Officers

Directors

William James Parker

Beatrice I. Parker

2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporation's Division of the Arizona Corporation Commission.

Incorporation in progress - will supply when received.

3. Attach a copy of the Articles of Incorporation.
4. Attach a copy of the corporation's By-Laws.
5. If a for-profit corporation, indicate the number of shares of stock authorized for issue:
6. If stock has been issued, indicate the number of shares issued and date of issue:

60,000 shares issued 3/7/00

H. If the Applicant is a partnership:

1. List the names of the general partners:

N/A

2. List the name, address and telephone number of the managing partners:

N/A

3. Attach a copy of the Partnership's Articles of Partnership.

- If the Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" filed with the Arizona Secretary of State.

- J. If the Applicant is a sole proprietor, list the name, address and telephone number of the proprietor:

N/A

K. If the Applicant is a Limited Liability Company:

1. List the names of managers:

N/A

N/A

L. List the names and addresses of any other public utility interest, which the applicant may have:

NONE

M. Attach a description of the area requested using **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and dockets will not be accepted. Use legal for George Papa water system per your files.

N. Attach a detailed map using the form provided as Attachment "B". Shade and outline the area requested. Also, indicate any other utility within the general area using different colors.

Use map of George Papa water system in your files.

O. Attach financial information in a format similar to Attachment "C".

P. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use additional sheets if necessary):

Plant is in place. Operations will be financed from income.

Q. Estimated starting and completion dates of construction of utility facilities:

Starting date Plant is in place Completion NONE

R. Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless the Utilities Division, prior to the filing of this application, approves another form.

S. Attach the following permits: See permits for George Papa water systems in your files.

1. The franchise from either the City or County for the area requested.
2. The Arizona Department of Environmental Quality (or its designee's) approval to construct facilities.
3. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.)
4. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.)
5. **(WATER ONLY)** If the area requested is within an Active Management Area, attach a copy of the utility's Designation of an Assured Water Supply, or the developer's Certificate of Assured Water Supply issued by the Arizona Department of Water Resources, whichever applies.

- If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources, if applied for by the developer.
- If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested.

6. Provide a copy of your estimated property taxes. This may be obtained by contacting the Arizona Department of Revenue, Division of Property Valuation and Equalization. You must provide them with a five (5) year projection of the original cost of the plant, depreciation expense, the location of the property and the school district.

See your files for George Pape water systems.

T. Provide the following information:

1. Indicate the estimated number of customers, by class, to be served in each of the first five years of operation:

Residential:

First Year 280 Second Year 294 Third Year 308 Fourth Year 322
Fifth Year 336

Commercial:

First Year 1 Second Year 1 Third Year 2 Fourth Year 2
Fifth Year 2

Industrial:

First Year 0 Second Year 0 Third Year 0 Fourth Year 0
Fifth Year 0

Irrigation:

First Year 0 Second Year 0 Third Year 0 Fourth Year 0
Fifth Year 0

2. Indicate the projected annual water consumption or sewerage treatment, in gallons, for each of the customer classes for each of the first five years of operation:

Residential:

First Year 17.3M Second Year 18.4M Third Year 19.5M Fourth Year 20.6M
Fifth Year 21.7M

Commercial:

First Year 170K Second Year 173K Third Year 176 K Fourth Year 279 K
Fifth Year 282K

Industrial:

First Year 0 Second Year 0 Third Year 0 Fourth Year 0
Fifth Year 0

Irrigation:

First Year 0 Second Year 0 Third Year 0 Fourth Year 0
Fifth Year 0

3. Indicate the total estimated annual operating revenue for each of the first five years of operation:

Residential:

First Year \$131,600 Second Year \$133,600 Third Year \$135,800
Fourth Year \$137,900 Fifth Year \$140,000

Commercial:

First Year \$720.00 Second Year \$720.00 Third Year \$1,440.00
Fourth Year \$1,440.00 Fifth Year \$1,440.00

Industrial:

First Year 0 Second Year 0 Third Year 0
Fourth Year 0 Fifth Year 0

Irrigation:

First Year 0 Second Year 0 Third Year 0
Fourth Year 0 Fifth Year 0

4. Indicate the total estimated annual operating expenses for each of the first five years of operation:

Residential:

First Year \$130,400 Second Year \$123,500 Third Year \$125,500
Fourth Year \$128,600 Fifth Year \$132,000

Commercial:

First Year \$100 Second Year \$100 Third Year \$120
Fourth Year \$120 Fifth Year \$120

Industrial:

First Year 0 Second Year 0 Third Year 0
Fourth Year 0 Fifth Year 0

Irrigation:

First Year 0 Second Year 0 Third Year 0
Fourth Year 0 Fifth Year 0

5. Attach an itemized list of the major components of the water or sewer system (see Attachment C-3).

See your files for George Papa water systems.

6. Indicate the total estimated cost to construct utility facilities:

Plant is in place.

William J. Parker

(Signature of Authorized Representative)

William J. Parker

(Type or Print Name Here)

President

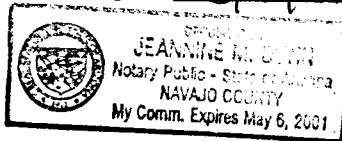
(Title)

SUBSCRIBED AND SWORN to before me this 7th day of March, 2000

Jeanne M. Dunn

NOTARY PUBLIC

My Commission Expires 5/6/01



ATTACHMENT "B"

COUNTY	SECTION	TOWNSHIP	RANGE

6	5	4	3	2	1
7	8	9	1 0	1 1	1 2
1 8	1 7	1 6	1 5	1 4	1 3
1 9	2 0	2 1	2 2	2 3	2 4
3 0	2 9	2 8	2 7	2 6	2 5
3 1	3 2	3 3	3 4	3 5	3 6

Type or Print Description Here:

Discription from Geaorge Papa Water Company per your file.

ATTACHMENT "C"

PROFORMA BALANCE SHEET (WATER)

ASSETS

Current Assets

Cash	\$ 5,516.00
Accounts Receivable	<u>1,264.00</u>
Other	<u>0</u>
Total Current Assets	<u>6,780.00</u>

Fixed Assets

Utility Plant in Service	<u>65,500.00</u>
(Less) Accumulated Depreciation	<u>0</u>
Net Plant in Service	<u>65,500.00</u>
Other	<u>0</u>
TOTAL ASSETS	<u>\$ 72,280.00</u>

LIABILITIES AND CAPITAL

Current and Accrued Liabilities

Accounts Payable	\$ <u>9,166.00</u>
Notes Payable	<u>0</u>
Accrued Taxes	<u>22,647.53</u>
Accrued Interest	<u>17,832.00</u>
Other	<u>0</u>
Total Current and Accrued Liabilities	<u>\$ 49,645.53</u>

<u>Long-Term Debt</u>	\$ <u>0</u>
Other	<u>0</u>

Deferred Credits

Advances in Aid of Construction	\$ <u>0</u>
Contributions in Aid of Construction	<u>0</u>
Accumulated Deferred Income Tax	<u>0</u>

Total Deferred Credits	<u>\$ 0</u>
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TOTAL LIABILITIES	<u>\$ 49,645.53</u>
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CAPITAL ACCOUNT

Common Stock	\$ <u>60,000.00</u>
Preferred	<u>0</u>
Paid in Capital	<u>0</u>
Retained Earnings	<u>6,280.00</u>

Total Capital	<u>\$ 0</u>
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TOTAL LIABILITIES AND CAPITAL	<u>\$ 72,280.00</u>
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PROFORMA INCOME STATEMENT (WATER)

	<u>YR. ONE</u>	<u>YR TWO</u>	<u>YR THREE</u>
REVENUE:			
Water Sales	<u>128,000</u>	<u>130,000</u>	<u>132,200</u>
Establishment Charges	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>
Other Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Revenue	<u>\$31,600</u>	<u>\$133,600</u>	<u>\$ 135,800</u>
OPERATING EXPENSES:			
Salaries and Wages	<u>\$ 56,000</u>	<u>\$ 57,000</u>	<u>\$ 58,000</u>
Purchased Water	<u>0</u>	<u>0</u>	<u>0</u>
Power Costs	<u>9,600</u>	<u>9,700</u>	<u>9,800</u>
Water Testing	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>
Repairs and Maintenance	<u>38,000</u>	<u>32,000</u>	<u>30,000</u>
Office Supplies Expense	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Outside Services	<u>6,000</u>	<u>6,500</u>	<u>7,000</u>
Rents	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
Transportation Expense	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Taxes Other than Property and income	<u>500</u>	<u>500</u>	<u>500</u>
Depreciation	<u>0</u>	<u>0</u>	<u>0</u>
Health and Life Insurance	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>
Property Tax	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
Miscellaneous Operating	<u>2,300</u>	<u>2,300</u>	<u>2,300</u>
Total Operating Expense	<u>\$131,500</u>	<u>\$127,600</u>	<u>\$126,700</u>
OPERATING INCOME OR (LOSS)	<u>\$ 100</u>	<u>\$ 5,000</u>	<u>\$ 9,100</u>
OTHER INCOME/EXPENSES:			
Interest Income	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other Income	<u>0</u>	<u>0</u>	<u>0</u>
Other Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Interest Expenses	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OTHER INCOME/EXPENSE	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
NET INCOME (LOSS)	<u>\$100.00</u>	<u>\$ 5,000</u>	<u>\$ 9,100</u>

PROFORMA UTILITY PLANT IN SERVICE (WATER)
FIRST YEAR

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPRC.
Organization	\$ 65,500	\$ 0	\$ 65,500
Franchises	<u>included</u>		<u>included</u>
Land and Land Rights			
Wells and Springs			
Electric Pumping Equip.			
water Treat. Equip.			
Distribution Reservoirs			
and Standpipes			
Transmission & Dist.			
Mains			
Services			
Meters			
Hydrants			
Other Plant Structures			
and Improvements			
Office Furniture			
and Fixtures			
Transportation Equipment			
Tools and Work Equipment			
Laboratory Equipment			
Power Operated Equipment			
Communication Equipment			
Miscellaneous Equipment			
Other Tangible Plant	<u>✓</u>		<u>✓</u>
TOTAL PLANT IN SERVICE	<u>\$ 65,500</u>	<u>\$ 0</u>	<u>\$ 65,500</u>

Explanation: Paid \$65,500 for water company at tax sale by Arizona Department of Revenue approximately 2/23/00.

C-3
ATTACHMENT "D"

SEWER TARIFF SCHEDULE

UTILITY: _____
PAGE __ OF __

RATES AND CHARGES

FLAT RATE

RESIDENTIAL \$ _____ PER MONTH
COMMERCIAL \$ _____ PER MONTH

BASED ON WATER USAGE

RESIDENTIAL MINIMUM \$ _____ FOR _____ GALLONS
EXCESS OF MINIMUM \$ _____ FOR _____ GALLONS

COMMERCIAL MINIMUM \$ _____ FOR _____ GALLONS
EXCESS OF MINIMUM \$ _____ FOR _____ GALLONS

EFFLUENT SALES: (if applicable)

\$ _____ PER _____ GALLONS

SERVICE LINE CONNECTION CHARGE \$ _____

SERVICE CHARGES:

- | | | |
|----|---|----------|
| 1. | ESTABLISHMENT (R14-2-603.D.1) | \$ _____ |
| 2. | RECONNECTION/DELINQUENT (R14-2-603.D.1) | \$ _____ |
| 3. | DEPOSIT (R14-2-603.B.7) | \$ _____ |
| 4. | DEPOSIT INTEREST (R14-2-603.B.3) | _____ % |
| 5. | REESTABLISHMENT W/N 12 MONTHS (R14-2-603.D.1) | \$ _____ |
| 6. | NSF CHECK (R14-2-608.E.1) | \$ _____ |
| 7. | LATE PAYMENT PENALTY (R14-2-608.F.1) | \$ _____ |

OTHER CHARGES AS SPECIFIED BY ORDER:

ATTACHMENT "D"

WATER TARIFF SCHEDULE

RATES AND CHARGES

CUSTOMER/MINIMUM CHARGE
PER MONTH

<u>METER</u>	<u>CHARGE</u>	<u>GALLONS</u>
5/8 X 3/4"	\$ 26.00	FOR 2,000
3/4"	\$ 26.00	FOR 2,000
1"	\$ 35.00	FOR 2,000
1 1/2"	\$ 40.00	FOR 2,000
2"	\$ 50.00	FOR 2,000
3"	\$ n/a	FOR
4"	\$ n/a	FOR
5"	\$ n/a	FOR
6"	\$ n/a	FOR

SERVICE LINE & METER
INSTALLATION CHARGES

<u>METER</u>	<u>CHARGE</u>
5/8 X 3/4"	\$ 500
3/4"	\$ 500
1"	\$ 600
1 1/2"	\$ 800
2"	\$ 1,000
3"	\$ n/a
4"	\$ n/a
5"	\$ n/a
6"	\$ n/a

COMMODITY CHARGE (EXCESS OF MINIMUM):

\$ 2.90 PER 1,000 GALLONS

FLAT RATE \$ n/a PER MONTH

SERVICE CHARGES:

- | | |
|---|----------------|
| 1. ESTABLISHMENT (R14-2-403.D.1) | \$ 40.00 |
| 2. ESTABLISHMENT/AFTER HOURS (R14-2-403.D.2) | \$ 65.00 |
| 3. RECONNECTION/DELINQUENT (R14-2-403.D.1) | \$ 40.00 |
| 4. NSF CHECK (R14-2-409.F.1) | \$ 25.00 |
| 5. METER REREAD/IF CORRECT (R14-2-408.C.2) | \$ 30.00 |
| 6. METER TEST/IF CORRECT (R14-2-408.F.1) | \$ 30.00 |
| 7. DEFERRED PAYMENT (R14-2-409.G.6) | \$ 10.00 |
| 8. DEPOSIT INTEREST (R14-2-403.B.3) | 6 % |
| 9. DEPOSIT (R14-2-403.B.7) | PER RULE |
| 10. REESTABLISHMENT W/N 12 MOs (R14-2-403.D.1) | MONTHS OFF THE |
| SYSTEM TIMES THE MINIMUM | |
| 11. <u>OTHER RATES & CHARGES APPROVED BY ORDER:</u> | |

IN ADDITION TO THE COLLECTION OF ITS REGULAR RATES AND CHARGES, THE COMPANY SHALL COLLECT FROM ITS CUSTOMERS THEIR PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES OR USE TAX.

ATTACHMENT "E"

PUBLIC NOTICE OF AN APPLICATION
FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY
BY MOUNTAIN GLEN WATER SERVICE

Mountain Glen Water Service has filed with the Arizona Corporation Commission ("Commission") an application for authority to provide water service to an area in which records indicate that you are a property owner. If the application is granted, Mountain Glen Water Service would be the exclusive provider of water service to the proposed area. Mountain Glen Water Service will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in [Phoenix at 1200 West Washington Street/Tucson at 400 West Congress, North Building, Room 218], and at Mountain Glen Water Service, P.O. Box 897, Clay Springs, Arizona 85923.

The Commission will hold a hearing on this matter. As a property owner you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application, have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at [1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000/400 West Congress, North Building, Room 218, Tucson, Arizona 85701 or call 1-800-535-0148].